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August 21, 2019

**RE: PHYSICIANS CASUALTY RISK RETENTION GROUP, INC.**

Dear Policyholder:

An Agreed Order of Rehabilitation (the "Order") was entered against Physicians Casualty Risk Retention Group, Inc. (hereinafter, "PCRRG") on August 16, 2019 by the Circuit Court of Montgomery County, Alabama (the "Receivership Court"). Pursuant to the Order, PCRRG was placed in rehabilitation in accordance with Ala. Code §§ 27-32-1 *et seq.*, and Ryan Donaldson, Chief of the Receivership Division of the Alabama Department of Insurance, has been appointed as PCRRG'S statutory and court-affirmed receiver (the "Receiver"). You may view and download for printing a copy of the Order on the Receiver's website, [www.aldoi.gov](http://www.aldoi.gov) and clicking on "Companies in Rehabilitation/Liquidation" under the "Companies" section, or on PCRRG'S website at [www.physicianscasualty.com](http://www.physicianscasualty.com). Also, please refer to the same websites for periodic updates regarding the Company's receivership.

The rehabilitation of PCRRG was necessitated due to the Company's decline in surplus from \$735,801 at December 31, 2018 to a negative \$1,033,926 at March 31, 2019 as well as the Company's Risk Based Capital (RBC) score decreased to 41.69%, which is an event authorizing placement of PCRRG into rehabilitation proceedings under state law.

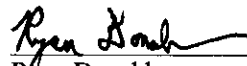
Pending the Receiver's determination as to when, and upon what terms, cancellation is appropriate, insurance policies that are in-force shall remain in-force subject to their contractual terms for cancellation or termination. Subject to the further order of the Receivership Court, the Receiver is currently authorized to continue to pay policyholder claims and claims against policyholders of PCRRG as they come due. In addition, until further notice the Receiver is continuing to provide insureds with a policy defense, as appropriate.

At the appropriate time, the Receiver intends to file a Petition for Approval of Plan of Rehabilitation for PCRRG requesting the Receivership Court's approval of a proposed Plan of Rehabilitation for PCRRG (the "Plan") and Memorandum in Support thereof. If approved by the Receivership Court, the Plan may affect your interests and rights. Subsequent to the Receiver's filing of the Petition, you will be mailed a notice advising how you may obtain a copy of the proposed Plan and the deadlines and procedures for submitting your objections, if any.

New covered claims should be reported to PCRRG in normal course. Other inquiries should be directed to Receiver by email at, [Receivership@insurance.alabama.gov](mailto:Receivership@insurance.alabama.gov), by mail to PCRRG, In Rehabilitation, P.O. Box 303353, Montgomery, AL 36130-3353, or by calling the Receivership Division at (334) 240-7560.

In the interim, we ask for your patience during this matter and regret any inconvenience PCRRG'S rehabilitation may cause you.

Sincerely,

  
Ryan Donaldson  
Receiver for PCRRG

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